

AMENDED IN SENATE JUNE 20, 2016
AMENDED IN ASSEMBLY JANUARY 4, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 168

Introduced by Assembly Member Maienschein

January 22, 2015

An act to ~~add~~ *amend* Section 14021.2 ~~to~~ of the Welfare and Institutions Code, *and to amend Section 1 of Chapter 6 of the Statutes of 2016*, relating to mental health services.

LEGISLATIVE COUNSEL'S DIGEST

AB 168, as amended, Maienschein. Mental health: community-based services.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law provides for a schedule of benefits under the Medi-Cal program and provides for specified services, including various mental health services. Existing federal law, the Protecting Access to Medicare Act of 2014, requires the United States Secretary of Health and Human Services to, among other things, ~~select~~, no later than September 1, 2017, *select from* among those states awarded a planning ~~grant to grant, the states that may~~ participate in a time-limited demonstration program that is designed to improve access to community mental health and substance use treatment services provided by certified community behavioral health clinics. *Existing law requires the department to develop a proposal for the United States Secretary of*

Health and Human Services to be selected as a participating state in this time-limited demonstration program, as specified.

~~This bill would require the department to develop and submit a proposal to the United States Secretary of Health and Human Services to be selected as a participating state in the time-limited demonstration program described above to receive enhanced federal matching funds for mental health services provided by certified community behavioral health clinics to Medi-Cal beneficiaries. The bill would require the department to work with counties and other stakeholders in developing its proposal for participation in the demonstration program. The bill would also require the department to include in its proposal a requirement that a county shall not be selected to participate in the demonstration program unless the county includes plans to redirect a portion of the funds currently used to match federal funds to provide increased housing opportunities for individuals with severe mental illnesses, as specified.~~

This bill would require the department to submit a report to the Legislature by March 1, 2017, to include specified information if the state is selected as a participating state in this time-limited demonstration program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 1 of Chapter 6 of the Statutes of 2016 is*
- 2 *amended to read:*
- 3 SECTION 1. The Legislature finds and declares the following:
- 4 (a) In 2014 Congress enacted the federal Protecting Access to
- 5 Medicare Act of 2014.
- 6 (b) Under the Protecting Access to Medicare Act, eight states
- 7 will be selected to have their federal share of costs increased to 65
- 8 percent for two years for outpatient behavioral health care for
- 9 individuals with severe mental illnesses or serious emotional
- 10 disturbances.
- 11 (c) *This federal funding would free up substantial funds in*
- 12 *participating counties that are currently being used to match*
- 13 *federal funds. The money that is currently being used to match*
- 14 *federal funds would be available to be used to meet the mental*

1 *health service and housing needs of those individuals who are not*
2 *currently receiving the behavioral health care that they need.*

3 ~~(e)~~

4 *(d)* In October 2015, the United States Secretary of Health and
5 Human Services awarded California a planning grant pursuant to
6 Section 223 of the federal Protecting Access to Medicare Act of
7 2014 which partially supported California in, among other things,
8 developing its proposal to participate in the two-year demonstration
9 program.

10 *(e)* California is among 24 states competing to be one of the
11 eight states chosen to participate in the two-year demonstration
12 program.

13 ~~(d)~~

14 *(f)* The Mental Health Services Act was approved by voters in
15 2004 for the primary purpose of addressing unmet mental health
16 needs.

17 ~~(e)~~

18 *(g)* It is an appropriate use of Mental Health Services Act funds
19 to support California's application to participate in this
20 demonstration program, including by using these funds to prepare
21 actuarial rates and provide technical assistance to counties seeking
22 to become certified community behavioral health centers.

23 ~~(f)~~

24 *(h)* This act is consistent with and furthers the intent of the
25 Mental Health Services Act within the meaning of Section 18 of
26 the Mental Health Services Act.

27 *SEC. 2. Section 14021.2 of the Welfare and Institutions Code*
28 *is amended to read:*

29 14021.2. (a) The department shall develop a proposal for the
30 United States Secretary of Health and Human Services for selection
31 as a participating state in the time-limited demonstration program
32 pursuant to Section 223 of the federal Protecting Access to
33 Medicare Act of 2014 (Public Law 113-93) in order to improve
34 mental health services furnished by certified community behavioral
35 health clinics to Medi-Cal beneficiaries.

36 (b) The department shall use the funds appropriated in the act
37 that added this section to pay any costs that will support the
38 development of a competitive proposal, including, but not limited
39 to, establishing actuarially sound rates and providing technical
40 assistance to counties.

1 (c) If the state is selected as a participating state in the
2 time-limited demonstration program described in subdivision (a),
3 the department, by March 1, 2017, shall submit a report to the
4 Legislature that includes the following information:

5 (1) The names of the participating counties.

6 (2) The estimated amount of additional funding each county is
7 expected to receive under the demonstration program.

8 (3) The proposed uses of the additional funds and the county
9 funds no longer required to be used as the federal match.

10 (4) A description of the improved partnerships with veterans
11 organizations, primary care providers, health plans, educational
12 agencies, and other organizations that the demonstration program
13 includes.

14 (5) Other identified benefits from the demonstration program
15 funding and planning process, and recommendations on any
16 components of the demonstration program that could be extended
17 to other counties.

18 (d) (1) The requirement for submitting a report imposed under
19 subdivision (c) is inoperative on March 1, 2021, pursuant to
20 Section 10231.5 of the Government Code.

21 (2) A report to be submitted pursuant to subdivision (c) shall
22 be submitted in compliance with Section 9795 of the Government
23 Code.

24 ~~SECTION 1. The Legislature finds and declares the following:~~

25 ~~(a) In 2014 Congress enacted the federal Protecting Access to~~
26 ~~Medicare Act of 2014.~~

27 ~~(b) Under the Protecting Access to Medicare Act, eight states~~
28 ~~will be selected to have their federal share of costs increased to 90~~
29 ~~percent for two years for outpatient behavioral health care for~~
30 ~~individuals with severe mental illnesses or serious emotional~~
31 ~~disturbances.~~

32 ~~(c) If successful, this federal opportunity would enable~~
33 ~~California to serve the tens of thousands of individuals with those~~
34 ~~conditions that it now lacks the funding to serve.~~

35 ~~(d) A major challenge in serving that population is that many~~
36 ~~are homeless and in need of housing assistance. Federal funding~~
37 ~~cannot pay for that housing assistance.~~

38 ~~(e) This federal funding would free up nearly \$2 billion in~~
39 ~~county funds now being used to match federal funds. The money~~
40 ~~that is currently being used to match federal funds will now be~~

1 available to be used to meet the housing needs of those individuals
2 who are not currently receiving the behavioral health care that they
3 need.

4 (f) In October 2015, the United States Secretary of Health and
5 Human Services awarded California a planning grant pursuant to
6 Section 223 of the federal Protecting Access to Medicare Act of
7 2014 to support California in, among other things, developing its
8 proposal to participate in the two-year demonstration program.

9 SEC. 2. Section 14021.2 is added to the Welfare and
10 Institutions Code, to read:

11 14021.2. (a) The department shall develop and submit a
12 proposal to the United States Secretary of Health and Human
13 Services for selection as a participating state in the time-limited
14 demonstration program pursuant to Section 223 of the federal
15 Protecting Access to Medicare Act of 2014 (Public Law 113-93)
16 in order to improve mental health services furnished by certified
17 community behavioral health clinics to Medi-Cal beneficiaries.

18 (b) In planning to develop its proposal for the demonstration
19 program, the department shall work with counties and other
20 stakeholders to identify the unmet need for the covered services
21 and to estimate the number of individuals who will need housing
22 assistance.

23 (c) The proposal shall require that counties shall not be selected
24 to participate in the demonstration program unless they include
25 plans to redirect a portion of the funds that are currently used to
26 match federal funds but will not be needed for that purpose during
27 the demonstration period to provide increased housing
28 opportunities for individuals with severe mental illnesses.